

Additionally, there is strong evidence for the long-term benefits of Medicaid and CHIP coverage for children. In 2020, eligibility for Medicaid and CHIP in childhood was associated with lower mortality rates and better physical health in adulthood; a reduction in high school drop-out rates; increased likelihood of obtaining a 4-year college degree; decreased emergency room visits and hospitalizations in adulthood; reduced need for disability benefits; fewer challenges with daily living activities; and greater intergenerational mobility.⁸

Continuous eligibility produces significant administrative cost savings. Administrative costs are lower and spending is more efficient when continuous eligibility policies are enacted. Although keeping more children covered results in higher costs overall, monthly costs per child decrease over time and are lowest when the coverage period is continuous.⁹ When administrative costs are decreased, spending is more efficiently focused on providing healthcare services.¹⁰

Month-to-month income fluctuations currently affecting eligibility are the norm rather than the exception.

Fluctuating job schedules and wages lead to income instability, significantly impacting eligibility and access to benefits like Medicaid. Even as their annual income remains below the Medicaid threshold, many families' incomes vary. Income earners may need to work extra shifts, overtime, or more than one part-time job.¹¹ Parents of young children are especially likely to experience significant fluctuations in work schedules. Additionally, Black families experience more income fluctuation than white families, which can result in disproportionate consequences in eligibility and service access.^{12,13}

Many children who become ineligible regain eligibility within the same year. Many people who lose eligibility for coverage re-enroll within months of losing eligibility, resulting in an administrative burden that could better be utilized in providing essential healthcare for children.¹⁴ Families may also not know that they have become eligible again, or may have difficulty re-applying due to technical or language barriers. Evidence shows that many people who lose public benefits remain eligible but do not re-enroll.^{7,15} Families who *are* eligible can also lose their coverage due to missed notices for requests for information from Maryland's agencies, due to housing instability that is more likely to affect families of color and has been exacerbated by the COVID-19 pandemic.¹⁶

In enacting continuous eligibility, Maryland would join several states that provide this service to its citizens.¹⁷ As such, we an opportunity to decrease the impact of income volatility on access to healthcare, enhance short- and long-term health outcomes, facilitate more efficient spending, and promote healthcare access and equity for all Marylanders.

Kennedy Krieger Institute requests a favorable report on Senate Bill 625.

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